

NWP HOLDINGS BERHAD (495476-M)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2019**

(The figures have not been audited)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31.5.2019	31.5.2018	31.5.2019	31.5.2018
	RM' 000	RM' 000	RM' 000	RM' 000
		(Restated)		(Restated)
Revenue	1,856	2,325	5,503	6,525
Cost Of Sales	(2,357)	(2,671)	(7,248)	(7,246)
Gross Loss	(501)	(346)	(1,745)	(721)
Other Income	40	-	162	61
Administrative Expenses	(591)	(485)	(1,709)	(2,958)
Other expenses	4	(16)	(10)	(88)
Loss from operation	(1,048)	(847)	(3,302)	(3,706)
Share of Loss of Associate	-	(49)	-	(159)
Finance Cost	(45)	(30)	(134)	(76)
Loss Before Tax	(1,093)	(926)	(3,436)	(3,941)
Tax expense	-	(17)	-	(17)
Loss for the period	(1,093)	(943)	(3,436)	(3,958)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss	(1,093)	(943)	(3,436)	(3,958)
Total comprehensive loss attributable to:				
Owners of the company	(1,093)	(938)	(3,436)	(3,954)
Non-Controlling interests	-	(5)	-	(4)
	(1,093)	(943)	(3,436)	(3,958)
Basic loss per share (sen)	(0.23)	(0.24)	(0.73)	(1.01)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the financial year ended 31 August 2018, and the accompanying explanatory notes attached this report.)

BURSA SECURITIES QUARTERLY REPORT - 3RD QUARTER

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the quarter ended 31/5/2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.5.2019 RM'000	31.5.2018 RM'000 (restated)	31.5.2019 RM'000	31.5.2018 RM'000 (restated)
1. Revenue	1,856	2,325	5,503	6,525
2. Loss Before Tax	(1,093)	(926)	(3,436)	(3,941)
3. Loss After Tax and Minority Interest	(1,093)	(938)	(3,436)	(3,954)
4. Net Loss for the Period	(1,093)	(938)	(3,436)	(3,954)
5. Basic loss per share (sen)	(0.23)	(0.24)	(0.73)	(1.01)
6. Dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7. Net assets per share (RM)		0.0813		0.0957

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.5.2019 RM'000	31.5.2018 RM'000	31.5.2019 RM'000	31.5.2018 RM'000
1. Loss from Operations	(1,048)	(847)	(3,302)	(3,706)
2. Gross Interest Income	-	-	-	2
3. Gross Interest Expense	(45)	(30)	(134)	(76)

NWP HOLDINGS BERHAD (495476-M)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2019**

	As at 31.5.2019 (Unaudited) RM'000	As at 31.8.2018 (Restated) RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	33,208	34,456
Intangible Asset	277	285
	<u>33,485</u>	<u>34,741</u>
Currents assets		
Inventories	5,691	5,741
Trade and Other Receivables	1,738	2,472
Deposits with Licensed Financial Institutions	3,084	83
Cash and Bank Balances	1,062	2,137
	<u>11,575</u>	<u>10,433</u>
Asset Held for Sale	-	28
TOTAL ASSETS	<u><u>45,060</u></u>	<u><u>45,202</u></u>
EQUITY AND LIABILITIES		
Share Capital	112,063	107,863
Share Option Reserve	54	54
Accumulated Losses	(73,742)	(70,376)
Total Equity	<u>38,375</u>	<u>37,541</u>
Non-current liabilities		
Other Payables	2,625	2,625
Obligation under Finance Lease	112	135
	<u>2,737</u>	<u>2,760</u>
Current liabilities		
Trade and Other Payables	2,222	3,214
Amount Due to Directors	1,695	1,656
Obligation under Finance Lease	31	31
	<u>3,948</u>	<u>4,901</u>
Total liabilities	<u>6,685</u>	<u>7,661</u>
TOTAL EQUITY AND LIABILITIES	<u><u>45,060</u></u>	<u><u>45,202</u></u>
Net Asset Per Share (RM)	0.0813	0.0957

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the financial year ended 31 August 2018, and the accompany explanatory notes attached to this report.)

NWP HOLDINGS BERHAD (495476-M)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2019**

(The figures have not been audited)

	← Attributable to Equity Holders →				Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Other Reserves RM'000	Option Reserves RM'000	Distributable Retained Earnings RM'000			
GROUP							
As at 1 September 2018							
As previously stated	107,863	17,467	54	(91,415)	33,969	-	33,969
Effects of MFRS convergence and adoption of MFRS 9 and MFRS 15	-	(17,467)	-	21,039	3,572	-	3,572
Restated	107,863	-	54	(70,376)	37,541	-	37,541
Issuance of shares	4,200	-	-	-	4,200	-	4,200
Waiver of amount due to previous minority interest	-	-	-	70	70	-	70
Loss after tax	-	-	-	(3,436)	(3,436)	-	(3,436)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(3,436)	(3,436)	-	(3,436)
As at 31 May 2019	112,063	-	54	(73,742)	38,375	-	38,375
As at 1 September 2017							
As previously stated	103,272	16,365	6,196	(79,411)	46,422	(93)	46,329
Effects of MFRS convergence and adoption of MFRS 9 and MFRS 15	-	(16,365)	-	20,634	4,269	-	4,269
Restated	103,272	-	6,196	(58,777)	50,691	(93)	50,598
Released upon surrender of options granted	-	-	(6,196)	6,196	-	-	-
Share options granted	-	-	897	-	897	-	897
Share options exercised	4,591	-	(843)	-	3,748	-	3,748
	4,591	-	(6,142)	6,196	4,645	-	4,645
Loss after tax	-	-	-	(3,954)	(3,954)	(4)	(3,958)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	(3,954)	(3,954)	(4)	(3,958)
As at 31 May 2018	107,863	-	54	(56,535)	51,382	(97)	51,285

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with annual financial statements for the financial year ended 31 August 2018, and the accompanying explanatory notes attached to this report.)

NWP HOLDINGS BERHAD (495476-M)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2019**

	9 months ended	
	31.5.2019 (unaudited) RM'000	31.5.2018 (unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(3,436)	(3,941)
Adjustment for non-cash flow: -		
Depreciation of property, plant and equipment	1,189	1,282
Amortisation of biological, intangible and other assets	8	10
Plant and machinery written-off	66	1
Share of result of associates	-	159
Unrealised foreign exchange loss	-	52
Interest expense	134	76
Interest income	-	(2)
Equity settled share-based payment transactions	-	897
Operating loss before changes in working capital	<u>(2,039)</u>	<u>(1,466)</u>
Changes in Inventories	50	525
Changes in receivables	734	1,551
Changes in payables	(1,051)	(368)
Changes in amount due from associate	-	(252)
Changes in amount due to directors	39	(3,872)
Net cash generated used in operations	<u>(2,267)</u>	<u>(3,882)</u>
Interest paid	(5)	(3)
Interest received	-	2
Taxation paid	-	(18)
Net cash generated used in operating activities	<u>(2,272)</u>	<u>(3,901)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(7)	(14)
Proceeds from disposal of assets	28	-
Net cash generated from/(used in) investing activities	<u>21</u>	<u>(14)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments to hire purchase creditors	(23)	-
Issuance of shares	4,200	-
Share options exercised	-	3,748
Net cash generated from financing activities	<u>4,177</u>	<u>3,748</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,926	(167)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>2,220</u>	<u>936</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>4,146</u></u>	<u><u>769</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,062	686
Fixed Deposit	3,084	83
	<u><u>4,146</u></u>	<u><u>769</u></u>

statements for the financial year ended 31 August 2018, and the accompanying explanatory notes attached to this report.)

NWP HOLDINGS BERHAD (495476-M)

(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MAY 2019

(The figures have not been audited)

1. SELECTED EXPLANATORY NOTES TO THE CONDENSED QUARTERLY REPORT

1.1 Basis of Presentation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

Except for matters set out in Section 1.2 below, the interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 August 2018. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2018.

1.2 Changes in Accounting Policies

The Group adopted the MFRS on 1 September 2018 and will prepare the first set of financial statements in accordance with MFRS for the financial year ending 31 August 2019. The date of transition to MFRS is 1 September 2017. The interim financial statements of the Group have been prepared in accordance with the accounting policies to be applied in preparing the annual financial statements of the Group for the financial year ending 31 August 2019.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 August 2018 except for the adoption of the following MFRS, Amendments to MFRS and Issues Committee Interpretation ("IC Interpretation") that are effective for the financial periods beginning on or after 1 September 2018:

Standards	Title
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1	Annual Improvements to MFRS Standard 2014 - 2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Effective Date and Clarification to MFRS 15
<u>IC Interpretation</u>	
IC 22	Foreign Currency Transactions and Advance Consideration

1.3 Adoption of MFRS

i) MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

In general, on the date of transition, the Group recognized, measured and reclassified its assets, liabilities and components of equity in accordance with MFRS. The Group adopted MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards on 1 September 2018 and has elected to apply the following transitional exemptions:

Business combinations

The Group has elected not to apply MFRS 3 Business Combination retrospectively to business combinations that occurred before the date of transition

Deemed cost of assets

The Group has elected to use the previous revaluation of property, plant and equipment as their deemed cost under the MFRS on the date of revaluation.

Thereafter, the Group measures the property, plant and equipment on cost less any accumulated depreciation and any accumulated impairment under cost model in MFRS 116.

ii) MFRS 9 Financial Instruments

MFRS 9 introduces the expected credit loss (“ECL”) model on impairment of financial assets, that replaces the incurred loss model applied previously. The Group have adopted lifetime ECL measurements for receivables due to the expected lifetime period of receivables are generally less than 12 months.

iii) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that is applicable to revenue arising from contracts with customers. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for that good or service.

Upon adoption of MFRS 15, the Group recognises the revenue from contracts with customers when or as the Group transfers goods or services to a customer, measured at the amount to which the Group expects to be entitled, according to the term and condition stipulated in the contracts with customers.

1.3 Adoption of MFRS (continued)

The effect on adoption of the MFRS are as follows:

Condensed Consolidated Statement of Comprehensive Income for the period ended 31 May 2018

	As reported Previously RM'000	Effect of MFRS adoption RM'000	Restated RM'000
Revenue	6,918	(393)	6,525
Cost of Sales	(7,639)	393	(7,246)
Gross Loss	(721)		(721)
Other Income	61		61
Administrative Expenses	(2,958)		(2,958)
Other Expenses	(88)		(88)
Loss from Operations	(3,706)		(3,706)
Share of Loss of Associate	(159)		(159)
Finance Costs	(76)		(76)
Loss Before Tax	(3,941)		(3,941)
Tax Expenses	(17)		(17)
Loss for the Period	(3,958)		(3,958)
Other Comprehensive Income, Net of Tax	-		-
Total Comprehensive Loss	(3,958)		(3,958)
Total Comprehensive Loss Attributable To:			
Owners of the parent	(3,954)		(3,954)
Non-controlling interests	(4)		(4)
	(3,958)		(3,958)

Condensed Consolidated Statement of Financial Position as at 31 August 2018

	As reported Previously RM'000	Effect of MFRS adoption RM'000	Restated RM'000
Non-current Assets			
Property, Plant and Equipment	35,907	(1,451)	34,456
Intangible Assets	285	-	285
	36,192		34,741
Current Assets			
Inventories	5,741		5,741
Trade and Other Receivables	2,598	(126)	2,472
Deposits with Licensed Financial Institutions	83		83
Cash and Bank Balances	2,137		2,137
	10,559		10,433
Asset Held for Sale	28		28
Total Assets	46,779		45,202

1.3 Adoption of MFRS (continued)

Condensed Consolidated Statement of Financial Position as at 31 August 2018 (continued)

	As reported Previously RM'000	Effect of MFRS adoption RM'000	Restated RM'000
Equity			
Share Capital	107,863		107,863
Revaluation Reserve	17,467	(17,467)	-
Share Option Reserve	54		54
Accumulated Losses	(91,415)	(21,039)	(70,376)
Total Equity	33,969		37,541
Non-current Liabilities			
Other Payables	2,625		2,625
Obligation under Finance Lease	135		135
Deferred Tax Liabilities	5,149	(5,149)	-
	<u>7,909</u>		<u>2,760</u>
Current Liabilities			
Trade and Other Payables	3,214		3,214
Amount Due to Directors	1,656		1,656
Obligation under Finance Lease	31		31
	<u>4,901</u>		<u>4,901</u>
Total Liabilities	12,810		7,661
Total Equity and Liabilities	46,779		45,202

1.4 Qualification of Audit Report of Preceding Financial Statements.

The auditors' report on the financial statements for the financial year ended 31 August 2018 was an unqualified opinion.

1.5 Seasonal or Cyclical Factors.

The Group's businesses were not affected by any seasonal or cyclical factors.

1.6 Unusual Items

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the Group in current quarter under review.

1.7 Changes in Estimates Reported in Prior Interim Periods of the Current Financial Year or Prior Financial Year.

There were no estimations of amounts used in previous reporting quarter having a material impact in the current quarter under review.

1.8 Issuances and Repayment of Debt and Equity Securities

There were no issuance of shares or debentures in current quarter under review.

1.9 Dividend Paid

There were no dividends paid in current quarter under review.

1.10 Segmental Reporting

a) Information about business segment

The Group is principally engaged in the manufacturing and trading of timber and timber related products, provision of logging services and plantation and land clearing.

9 months ended 31 May 2019

	Moulding & Timber RM'000	Investment & Others RM'000	Consolidated RM'000
Total revenue	5,503	-	5,503
Segment result	(2,572)	(733)	(3,305)
Interest income	2	1	3
Finance cost	(95)	(39)	(134)
Loss for the period	<u>(2,665)</u>	<u>(771)</u>	<u>(3,436)</u>

9 months ended 31 May 2018

	Moulding & Timber RM'000	Investment & Others RM'000	Consolidated RM'000
Total revenue	6,512	13	6,525
Segment result	(1,564)	(2,144)	(3,708)
Interest income	2	-	2
Finance cost	(72)	(4)	(76)
Loss before tax	<u>(1,634)</u>	<u>(2,148)</u>	<u>(3,782)</u>
Taxation	(17)	-	(17)
Loss for the period			
before associate results	(1,651)	(2,148)	(3,799)
Share of loss of associate			(159)
Loss for the period			<u>(3,958)</u>

b) Information about geographical segment

	Revenue	
	9 months ended 31.5.2019 RM'000	9 months ended 31.5.2018 RM'000
Malaysia	600	832
Asia Pacific	4,903	5,693
Total	<u>5,503</u>	<u>6,525</u>

1.11 Material Events Subsequent to the end of the Current Quarter

There were no material events subsequent to the end of this quarter that has not been reflected in the financial statements.

1.12 Changes in the Composition of the Group

There were no changes in the composition of Group during the quarter under review.

1.13 Contingent Liabilities

There were no contingent liabilities as at the date of this announcement.

1.14 Capital Commitments

There were no capital commitments as at the date of this announcement.

2. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS BY BURSA MALAYSIA SECURITIES BERHAD

2.1 Review of Performance

The Group recorded revenue of RM1.86 million for current quarter ended 31 May 2019 as compared to RM2.32 million in the corresponding quarter ended 31 May 2018. Lower revenue in current quarter under review was mainly due to adverse weather which delayed delivery of logs supply. The Group made a pre-tax loss of RM1.13 million for current quarter under review as compared to a pre-tax loss of RM0.93 million in the corresponding period. Higher pre-tax loss in current quarter under review was mainly due higher gross loss and higher professional costs incurred on private placement exercise.

2.2 Material Changes in the Quarterly Results Compared to the Immediate Preceding Quarter's Results

The Group posted revenue of RM1.86 million for current quarter under review against RM1.81 million in the preceding quarter. The Group posted a pre-tax loss of RM1.13 million as compared to the preceding quarter pre-tax loss of RM1.21 million. The revenue and pre-tax loss for current quarter under review was relatively consistent with preceding quarter.

2.3 Prospect for the Next Quarter

The Group will continue to focus on timber processing and moulded products and will increase its processing capabilities as demand for its products is still going strong. The Group will continuously explore new raw material sources to ensure consistent supply at economic prices.

2.4 Variance of Actual Profit from Forecast Profit / Profit Guarantee

The disclosure requirements for explanatory notes on the variation of actual profit after tax and shortfall in profit guarantee are not applicable.

2.5 Taxation

No taxation was provided for the period as the subsidiaries have available sufficient unutilized tax losses, unabsorbed capital allowances & reinvestment allowances to set off against any taxable profit.

2.6 Sale of Unquoted Investment and/or Properties.

There were no disposal of unquoted investment and property during the quarter under review.

2.7 Purchases or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities during the quarter under review.

2.8 Status of Corporate Proposals

- a) On 23 April 2019, the Board announced that NWP Holdings Berhad (“the Company” or “NWP”) entered into a Memorandum of Agreement (“MOA”) with Henan Dazhi Papermaking Equipment & Engineering Co., Ltd (“Henan Dazhi”) for the purpose to explore and set forth the current intention of both parties with respect to the proposed development and operations of pulp mill located at Sabah, Malaysia.

Pursuant to the MOA, Henan Dazhi shall provide a turnkey project to supply engineering, procurement, construction and commissioning of pulp mill (“EPCC Pulp and Paper Mill”) with annual production of up to 100,000 metric tons to be constructed in Sabah, Malaysia and transfer the technology and “know-how” to NWP to jointly undertake and provision of EPCC Pulp and Paper Mill subject to a due diligence review of costs and other relevant documentations.

- b) On 23 April 2019, the Board announced that the Company had entered into a Memorandum of Agreement (“MOa”) with Henan Jianghe Paper Co., Ltd (“Henan Jianghe”) for the purpose to explore and set forth the current intention of both parties with respect to a potential purchase contract whereby Henan Jianghe would purchase as off-taker of the pulp from NWP.

Pursuant to the MOa, Henan Jianghe desire to purchase 100,000 metric tonnes of bleached hardwood pulp annually produced by NWP’s pulp mill to be constructed at Sabah, subject to the terms and conditions of the final purchase agreement. This Moa shall not constitute a binding obligation on the parties to enter into a Purchase Agreement. Neither party shall be finally bound to buy or sell Goods unless and until the Purchase Agreement is executed by the parties and delivered to each other.

- c) On 11 April 2019, the Company proposed to undertake a private placement of new ordinary shares up to 10% of the total number of issued shares in the Company. Bursa Malaysia Securities Berhad had vide its letter dated 23 April 2019, resolved to approve the listing and quotation of up to 39,424,000 new NWP shares (“Placement Shares”) to be issued pursuant to the Proposed Private Placement.

On 24 April 2019, the Board fixed the issue price for 39,225,300 Placement Shares at RM0.12 each. As at the date of this announcement, payment for 35,000,000 Placement Shares has been received and the Board shall re-fix the issue price for the remaining 4,225,300 Placement Shares in due course.

2.8 Status of Corporate Proposals (continued)

The status of utilization of proceeds raised from the abovementioned Placement Shares were as follows:

Details of Utilisation	Estimated Proceeds from and Proposed Utilisation of Private Placement	Actual Proceeds from and Proposed Utilisation of Private Placement	Estimated Timeframe of Utilisation after completion	Utilisation as at 31 May 2019
	RM'000	RM'000		RM'000
Performance bond payment to Borneo Resources	2,500	2,500	Within 6 months	Nil
Staff costs and administrative expenses (working capital)	464	1,510	Within 6 months	350
Expenses in relation to the Proposed Private Placement	190	190	Within 2 weeks	88
Total	3,154	4,200		438

Note (1) : The estimated proceeds from and proposed utilization of Private Placement is based on maximum scenario of the Proposed Private Placement.

Note (2) : The actual proceeds is based on payment of 35,000,000 Placement Shares received.

- d) On 11 April 2019, the Board announced that a wholly owned subsidiary of the Company, NWP Industries Sdn Bhd (NWPI) has entered into a Collaboration for Supply Agreement with Borneo Resources, for the appointment of NWPI as the sole and exclusive party to carry out the activities to clear, fell, extract, sell and deliver all timber, trees and logs products on the planted forest areas 605.9 hectares situated in Kg Mindohuan in the district of Ranau, Sabah.

2.9 Borrowings and Debt Securities

There were no issuance, cancellation, repurchase, resale and repayment of borrowings and debt securities during the quarter under review.

2.10 Off Balance Sheet Financial Instruments

The Group has not entered into any forward foreign exchange control maturing within 6 months to hedge its trade transactions. The Group also has no off-balance sheet financial instrument exposure as at the date of this quarter report.

2.11 Related Party Transactions

Interest paid to a company in which a director has a financial interest in it.

2.12 Material Litigation

- a) On 20 June 2019, the Board announced that NWP together with its wholly owned subsidiary, NWP Builder Sdn Bhd (the “Plaintiffs”) had served a Writ of Summons and Statement of Claim to Dato’ Zhang Li (the “Defendant”). The Defendant was previous Executive Director of NWP from 6 May 2016 to 12 February 2018.

The Plaintiffs alleged that the Defendant owes a duty of loyalty and fidelity to the Plaintiffs which duty obliges the Defendant to act in good faith and in the best interest of Plaintiffs. In the Defendant’s capacity as director of the Plaintiffs, the Defendant owes the Plaintiffs fiduciary duties and/or a general duty of care.

Further, the Defendant owed obligations under the Companies Act 1965 and/or 2016 and under common law and equity, including the duty to exercise reasonable care, to act honestly and use reasonable diligence in the discharge of duties of her office as director.

- b) On 30 April 2019, Dato’ Zhang Li (“ZL”) served an amended Writ of Summons and Statement of Claim to NWP, Wong See Ming (“WSM”) and Dato’ Sri Kee Soon Ling (“KSL”). ZL was previous Executive Director of NWP from 6 May 2016 to 12 February 2018.

ZL alleged that NWP has failed to pay 3 months Director’s Fee in the sum of RM60,000. Further, ZL alleged that NWP, WSM and KSL had committed fraud against ZL by failing or refusing to pay ZL the said Director’s Fee as the Director’s Fee was approved by the Company’s Board in the Company’s Annual General Meeting.

The Court has fixed 24 June 2019 for further case management for parties to file the respective pleadings.

- c) On 7 November 2016, the Board announced that a Turnkey Construction Agreement (“TCA”) has been entered into between Listari Marina (MM2H) Sdn Bhd (“LMSB”) and NWP Builder Sdn Bhd (“NWPBu”) for a total contract sum of RM22 million for the construction of 9-storey tower block with 160 units of service suites on HS(D) 70398 PT 497 Pekan Klebang , Sek 11, Daerah Melaka Tengah, Melaka.

Despite sufficient time was given to LMSB to hand over the project site to NWPBu in order for NWPBu to perform its role as Turnkey Contractor, LMSB has continuously failed, neglected and/or unfulfilled its obligation.

Due to alleged failure and breach of TCA by LMSB, NWPBu is seeking refund of Advance (RM6.5 million) made under TCA. NWPBu had served a sealed Writ of Summons together with Statement of Claim both dated 5 November 2018, through its solicitors, Messrs. Weng Seng & Co, on LMSB. This event was announced to Bursa on 7 November 2018.

On 18 December 2018, the Board announced that NWPBu had received Statement of Defence and Counter-Claim from LMSB. The Company has given instruction to its solicitor to in no uncertain terms to enforce NWPBu’s right to the fullest extent claiming the refund of Advance and also vigorously defend the said Counter-Claim.

The civil suit has been fixed for trial from 9 December 2019 to 12 December 2019.

2.12 Material Litigation (continued)

- d) On 14 October 2016, the Board announced that a wholly owned subsidiary of the Company, NWPBu, had entered into a conditional Sale of Shares Agreement (“SSA”) with Dato’ Ismail Bin Hassan (“Dato’ Ismail” or “the seller”) to acquire 300 common shares representing 30% equity interest in Aviation A.I. Inc. for a cash consideration of USD 1,500,000.

With reference to the announcements made on 13 January 2017, 27 November 2017 and 26 January 2018 in relation to the above, NWPBu and Dato’ Ismail have mutually agreed to extend the Conditional Period for the SSA to 13 April 2017, 31 December 2017 and 31 March 2018 respectively.

On 2 April 2018, NWPBu had via a letter informed Dato’ Ismail that the Company will terminate the SSA due to non-fulfillment of conditions precedent by Dato’ Ismail. The event was subsequently announced to Bursa on 16 April 2018.

Due to Dato’ Ismail failed to return and refund the Sum Paid (RM4.1 million) made under the SSA to NWPBu, NWPBu had served a sealed Writ of Summons together with Statement of Claim both dated 20 August 2018, through its solicitors, Messrs. Weng Seng & Co, on Dato’ Ismail. The civil suit has been withdrawn to go for arbitration, as announced to Bursa on 23 October 2018.

2.13 Dividend

No dividend has been recommended during the quarter under review.

2.14 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Qtr 31/05/19	Preceding Year Qtr 31/05/18	Current Year 31/05/19	Preceding Year 31/05/18
a) Basic earnings per share				
Net loss for the period (RM'000) after tax attributable to equity holder of the parent.	(1,093)	(938)	(3,436)	(3,954)
Number of ordinary shares issued ('000)	472,253	392,253	472,253	392,253
Basic loss per share (sen)	(0.23)	(0.24)	(0.73)	(1.01)
b) Diluted earnings per share	N/A	N/A	N/A	N/A

The earnings per share are calculated based on number ordinary shares stated above.

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